Your partner in Bosnia & Herzegovina

for design, building, installation and servicing
Dear Sir, Madam,

You have just turned over the first page of our brochure “EGW, your partner in Bosnia & Herzegovina for design, building, installation and servicing”.

This brochure does not only give you information about our company, but it also shows at the same time the progress, which our beautiful country has made since the signing of the Dayton Peace Agreement on December 14 1995.

We are proud that our company could contribute a lot to this progress with projects like the reconstruction of Sarajevo International Airport in 1997 until recently the delivery, as main contractor, of 5 operational theatres for open heart surgery to the Kosevo Hospital in Sarajevo.

A further summary of the most important projects, which we did since 1995, is given on the following pages.

But we are looking forward. In 2008 the Stabilisation and Association Agreement was signed with the EU as a first step to become a member of the EU. It will enhance the economic development in our country and we expect that especially in the fields of energy, environment, water, waste water treatment and infrastructure the chances for our company will be very positive in the coming years.

We invite companies or organisations, which are looking for cooperation with such a partner as an investor, as a joint venture or consortium partner for specific projects or just for an exchange of ideas about the opportunities in Bosnia & Herzegovina, to contact the undersigned.

Sincerely Yours,

Vahid Tanovic
Managing Director
About the company EGW

EGW Ltd. is a well known technical installation company, based in a suburb of Sarajevo called Blazuj. Since the signing of the Dayton peace agreement in November 1995, EGW Ltd. has been involved in many reconstruction and other projects in Bosnia & Herzegovina. Below you will find details about the company from the very beginning until now.

History of EGW

1993      A group of people which worked in the company EGT Sarajevo, carried out the biggest technical project in Sarajevo during the war, known as “Heating besieged Sarajevo”. All kind of heating equipment, donated by the Dutch government was installed and put into operation by more than 200 workers of different technical background, from fitters to engineers. For the voluntary relief efforts of all participants in this project, the Netherlands Red Cross Society awarded them with a gold medal.
1995      Directly after the signing of the Dayton Peace Agreement on November 21, a new company started under the name EGW (Engineering for Gas and Water).
1997      A joint venture contract was signed between EGW, Brugman Radiatorenfabriek B.V. and Gaalimex B.V. from the Netherlands. The MD of Gaalimex B.V. had also been involved in the project “Heating Besieged Sarajevo” and EGW was the sole importer of Brugman radiators for Bosnia and Herzegovina. All existing companies, started since 1993, became part of Brugman Group Ltd. Sarajevo.
2000      New production hall and warehouse of 1800m2 built in Blazuj- Sarajevo.
2002      New office building of 3800 m2 built in Blazuj- Sarajevo.
2006      As of May 23, Brugman Radiator Factory (sold in the meantime to Masco USA) stepped out and all companies which belonged to Brugman Group Ltd. came under the name of EGW Ltd. Sarajevo with a new slogan: EXPERIENCE FOR GENERAL WELFARE. EGW is ISO 9001 certified.

Manpower of EGW
Total number of employees: 100 highly skilled civil, mechanical and electrical engineers, technicians and fitters.
Temporary workers during season: 30-40 as well as subcontractors working under the umbrella of EGW.

Managing director: Mr. Vahid Tanovic, BSC in mechanical engineering.
Specialisation: Gas technology study Technische Hogeschool Eindhoven, the Netherlands.

Financial review of EGW
After the very profitable years 1996, 1997, 1998 and 1999 EGW was faced with a period without big projects due to less investments by the international community.
This period lasted until 2004 and as from 2006 things improved considerably, mainly because of more commercial investments, a growing economy and a future for Bosnia & Herzegovina as a member of the European Union.
In 2008 BiH signed the Stabilisation and Association Agreement with the EU. This SAA is designed to boost the trade and economic ties between the 27 nations bloc and the south eastern European countries and put them on path towards full EU membership.

Results 2007, 2008, 2009 ( x 1000 Euro)

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<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tbody>
<tr>
<td>Proceeds</td>
<td>2.743</td>
<td>6.699</td>
<td>8.479</td>
</tr>
<tr>
<td>EBITA</td>
<td>247</td>
<td>501</td>
<td>680</td>
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</tbody>
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Share holders
The shares of EGW are owned by:
Mr. V.Tanovic the MD of the company 35%
J.J.A. van Gaalen Beheer B.V. Roelofarendsveen, The Netherlands 20%
Remaining 45% by management team/former employees ( total 5 persons)
Projects executed by EGW from the beginning

EGW has been involved in many projects after the war period. Buildings and infrastructure were seriously damaged and EGW became an important player in the reconstruction in and around Sarajevo. A summary of the most important projects is shown on the following pages. Nowadays EGW is a well known, trustworthy company with extended technical experience and know how, not only for all kind of modern technical installations but also as main (general) contractor, for complete, ready to use buildings. Recent projects like The Police Academy, Radar Station and Cardio Surgery Clinics at Kosevo Hospital have been carried out as main contractor. It goes without saying that energy saving and environment play an important role, starting with the design until the final realization.

Summary of the most important projects done in the past (1995 - 2008)

- Conversion and building of boiler houses for district heating.
- Reconstruction of Sarajevo Airport. All mechanical and electrical installations, including designs, under supervision of Deerns Rijswijk, The Netherlands.
- Complete reconstruction, including all installations of UPI Bank Sarajevo.
- Supply and installation of rooftop boiler houses for apartment blocks.
- Reconstruction of water supply and sewage systems for Canton Sarajevo.
- Repair of pipe systems, supply and installation of radiators in 7.000 apartments in Sarajevo.
- Kosevo Hospital Supply and installation of the first co-generation plant in Sarajevo.

Recently finished projects and projects in hand (2009/2010)

- Kosevo Hospital - Supply and installation of the first co-generation plant in Sarajevo.
- Therme Catez Spa Ilidza - All mechanical and electrical installations.
- New building Police Academy Sarajevo - Civil works and all installations.
- Apartment block “Vila Bjelasnica” - Civil works and all installations.
- Airport Sarajevo - Aircondition project.

Shopping centre “Grand Centar” Ilidza - design and installation of all mechanical, electrical and plumbing works.

Shopping centre “Grand Centar” Ilidza
A consortium of 3 companies, EGW, Ansdrive and Unipromet has built the shopping centre Grand Centar of 24000 sqm. Separately, as part of the project, the new Town Hall of Ilidza has also been built by the consortium. Opening of the shopping centre took place April 16 2009.

Apartment block “Sani Grand City”
On top of the shopping centre this consortium completed the building of 176 apartments. These apartments are sold individually.

Investment project done by EGW only

On the Olympic mountain Bjelasnica EGW has built an apartment block with 49 apartments.
Sectors with opportunities in Bosnia & Herzegovina

As mentioned before Bosnia & Herzegovina has signed the Stabilisation and Association Agreement with the EU, which means that the country will have to comply with the rules and laws of the EU. This offers great opportunities for specialised companies in sectors like: Infrastructure, Traffic, Energy, Environment, Water and Waste water treatment.

It goes without saying that EGW with its partners will play a significant role in the realisation of the projects to come. A summary of these sectors is given below.

Infrastructure

Airport
EGW is preferred contractor of Sarajevo International Airport and has long term maintenance contracts for the technical installations made by EGW at the reconstruction of the airport after the war. The terminal building will be extended in the very near future as a result of the continuous growth of the number of passengers. Also a new shopping centre and an airport hotel are foreseen in the airport compound. Dutch companies will be involved in the design work of the extension of the passenger terminal. The total cost of the extension will be 45.79 million dollars, mostly financed by EBRD.

Roads
The Corridor 5C highway and upgraded railway is an important ongoing project in the country. It concerns a distance of 340 km between Bosanski Brod in the North and the harbour of Ploce in Croatia.

The highway will provide rational connecting to neighbouring countries and main European traffic network. Transport conditions and quality of live will improve. As there are many tunnels and bridges to be built there are lots of opportunities for specialist companies. EBRD takes care of the greater part of the financing of this project.

Railway
Modern trains have been delivered from Spain in March 2010. The track overhaul and modernizing of the signalling is in progress.
Good possibilities for specialized companies. Tenders for these works are regularly published.

Energy

Electricity
Transport: In the last 10 years the transport system has been completely reconstructed through projects known as Power 1, 2 and 3. It is now ready for integration in the European in - and export market.

Distribution: The distribution is covered by local distribution companies and they regularly expand and invest in these networks.

Production: Bosnia is rich in energy production.
The Federal Ministry of energy, mining and industry has published in March 2010 a report about the priorities regarding the construction of power plants in Bosnia & Herzegovina.

Main goals and expected effects are:
- securing continuity of production of electrical and heat energy,
- reduction of emission and fulfilling the obligations concerning the establishment of the power market of South-East Europe,
- increasing of energy efficiency.

These goals must be realized by:
- construction of new, modern thermal power plants as a replacement for the existing old ones,
- construction of new, high capacity, hydropower plants and small hydropower plants up to 20MW,
- construction of wind farms.

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EGW has implemented 4 small hydropower plants until now. The listed number is about 300 pcs. to realise. The total installed capacity of the above (without SHPPs) amounts to 3434 MW and the estimated investment costs are 5.963 million Euro’s.

Gas
Natural gas is available from Russia but only with one connection. A ring system is in preparatory stage.
The biggest consumers are the town of Sarajevo for domestic heat need and Zenica for industrial need (steel factory). In areas without natural gas LPG is used. No biogas production up to now.
EBRD has recently granted a loan of Euro 19 million, to finance the construction of a new 40 km high pressure natural gas transport pipeline for the gas supply to four municipalities in Central Bosnia Canton. It will provide a clean and efficient fuel supply for the industry, the district heating and households in the towns of Travnik, Vitez, Busovaca and Novi Travnik. The expected total project costs will be Euro 23.5 million.

Alternative sources
There are no alternative sources explored up to now with the exception of a garbage dump in Sarajevo from which gas is won for firing one generator (PSOM project of Senter). Solar could be interesting because of high number of sunny days.

Environment

Garbage collection and processing
Nearly all garbage collected in BiH is put on open landfills. With the growing economy the quantity of garbage will increase drastically and the need for modern garbage incinerators will become a must, also due to EU regulations in this field.

Air and water pollution
Air pollution from metallurgic plants as well as water pollution by disposing waste water in rivers is a big problem in BiH. It is to be expected that the EU and also EBRD will financially assist the country to making it possible to comply with EU regulations with regard to these very important issues.

Water and Sanitation

Sewerage
A project for the country-wide investment for the water and sanitation sector has been launched recently. The project aims at protecting public health and the environment from water pollution. The total cost will be 120 million Euro of which 60 million Euro is financed by EIB. Also in the town of Sarajevo the overhaul of sewerage systems will get a lot of attention because most of the systems are very old.

Waste water treatment
The waste water treatment plant for the town of Sarajevo has been severely damaged during the war period. Reconstruction and modernisation is one of the priorities in water treatment for the authorities of Sarajevo. The same goes for the towns of Mostar, Travnik, Zenica and others. EBRD has proposed a loan towards the cost of reconstruction. Tenders for these works are published on a regular basis.